

**RENAISSANCE ZONE AUTHORITY  
MEETING MINUTES  
August 12, 2009**

The Bismarck Renaissance Zone Authority met on August 12, 2009 in the 2<sup>nd</sup> Floor Conference Room in the City-County Office Building at 221 North 5<sup>th</sup> Street. Authority members present were Dave Blackstead, Parrell Grossman, Chuck Huber, George Keiser and Kevin Magstadt. Technical Advisor Bruce Whittey was present. Staff members present were Jason Tomanek, Kimberley Gaffrey, Carl Hokenstad, Charlie Whitman, Ray Ziegler and Brenda Johnson. Guests present were Steve Schwan (SPGMC, LLC/Boardwalk on Broadway, LLC), Jerry Splonskowski (Northwest Contracting) and Dawn Kopp (Downtowners).

**CALL TO ORDER**

Chair Blackstead called the meeting to order at 4:00 p.m.

**MINUTES**

The minutes of the July 8, 2009 meeting were distributed with the agenda packet.

**MOTION:** A motion was made by Mr. Keiser and seconded by Mr. Magstadt to approve the minutes of the July 8, 2009 meeting as received. The motion passed unanimously, with members Blackstead, Grossman, Huber, Keiser and Magstadt voting in favor.

**RENAISSANCE ZONE PROJECT APPLICATION**

**A. 100 West Broadway – SPGMC, LLC/Boardwalk on Broadway, LLC – Rehabilitation**

Mr. Tomanek gave an overview of the rehabilitation project by SPGMC, LLC/Boardwalk on Broadway, LLC to the building at 100 West Broadway. Mr. Tomanek said that the applicant is proposing to rehabilitate the building for use as new office and commercial space. The proposed building renovation includes the removal of all interior partitions, ceilings, flooring, HVAC, electrical and incidental plumbing. Exterior walls will have new windows installed in new and existing openings. Exterior walls will also receive a new veneer consisting of brick, split-face masonry block, and synthetic exterior insulation finish system (EIFS) above the masonry. An aluminum canopy is proposed for 2/3 of the south elevation. There will be two separate off-street parking lots providing a total of 108 spaces. Mr. Tomanek stated that the current assessed value is \$514,200, the proposed investment value is \$706,964, and the estimated value after improvements is \$738,200. Mr. Tomanek said that the estimated property tax benefit over 5 years is \$130,356 and the estimated income tax benefit is \$176,741 over 5 years.

Mr. Tomanek provided an overview of the requests and listed the following findings for the proposed Renaissance Zone project:

1. The proposed use is consistent with the City's Renaissance Zone Development Plan.
2. The proposed exterior rehabilitation is sufficient to eliminate any and all deteriorated conditions on the exterior of the building.

3. The northwest quadrant of the block will be separated from the parcel and sold. This area is not proposed to be included in this Renaissance Zone project.
4. Using the 2008 assessed value of the building (\$514,200) and the total investment of \$706,964, the level of re-investment is approximately 72.7 percent. The minimum level of investment for rehabilitation projects is 50 % of the assessed building value made through capital improvements.
5. The property is located within the DF - Downtown Fringe zoning district, which states that "all walls visible from the street shall be primarily faced with brick, stone architectural concrete or pre-cast concrete, or an equivalent or better." Currently the south-facing façade is clad with EIFS, the west, north and east-facing exterior walls are brick with the west and north-facing brick having been painted white. The proposal includes the use of brick, split-face masonry block, and EIFS as the primary exterior materials on each side of the building. EIFS is not typically considered acceptable as the primary building exterior finish in the downtown zoning districts. Previously EIFS was deemed appropriate by the Renaissance Zone Authority for the new construction project at 122 East Main Avenue, citing that the material chosen was a higher quality EIFS than typical EIFS and that the project was a new building that would keep with the intent of the established guidelines for the DC - Downtown Core zoning district.
6. The project will consist of site renovations that include planting areas for new landscaping in conjunction with parking lot maintenance, new city sidewalks on the west and north sides and removal of an existing chain link fence on the north side of the building.
7. Currently there are no street trees on any block face adjacent to the property. Street trees are proposed for the west, south and north sides of the property. The landscaping and screening ordinance requires 3 trees per 100 linear feet of street; with the block length of 300 feet it would be possible to provide 7 to 9 trees per block face depending on the species selected and driveway locations. The Forestry Division will work with the property owner to determine the most appropriate quantities and locations for any trees within the public right-of-way.
8. The landscaping and screening ordinance also requires perimeter parking lot screening when adjacent to the public right-of-way through the use of trees and shrubs or with a decorative fence. The areas proposed for parking are currently asphalt or concrete and will not be completely removed. Currently there are no screening elements proposed for the parking areas.
9. The landscaping and screening ordinance also requires that parking lots with 50 or more parking spaces provide appropriately-sized interior parking lot islands with trees and/or shrubs included. The purpose of the islands is to help delineate parking areas, increase pervious surfaces to aid in stormwater runoff and to help break up the large expanses of asphalt and concrete. The interior parking lot requirements for islands and vegetation will be satisfied if installed as shown on the proposed site plan.

Mr. Tomanek said based on findings staff recommends approval of the designation of the rehabilitation of the building at 100 West Broadway Avenue by SPCMC, LLC/Boardwalk on Broadway, LLC as a Renaissance Zone project, a 100% property tax exemption on the building and

improvements for five years beginning with the date of completion, and an exemption from state tax on income derived from the business/investment location for five years beginning with the date of completion with the following conditions:

1. The Renaissance Zone Authority consider a waiver from Section 14-04-21.2 (DF - Downtown Fringe) of the City Code of Ordinances to allow the use of EIFS/Dry-Vit material as an exterior building material in lieu of the use of brick, stone architectural concrete or pre-cast concrete, or an equivalent or better.
2. The landscaping and screening requirements shall be provided in accordance with the Section 14-03-11 (Landscaping and Screening) of the City Code of Ordinances through the use of perimeter parking lot screening elements such as trees & shrubs or a decorative fence in locations where the off-street parking lot(s) are adjacent to the public right-of-way and street/boulevard trees as determined to be appropriate by the City Forester. If a decorative fence is preferred, it shall conform to the criteria set forth in the adopted Streetscape Guidelines for Downtown Bismarck study (May 1995).

Mr. Splonskowski provided a more detailed description for the building features and parking lot.

Mr. Grossman asked if the EIFS that will be used is a high quality EIFS. Mr. Splonskowski responded by saying yes, high quality EIFS will be used on the upper portion of the building with split face masonry block on the lower section of the building.

Mr. Whittey commented that EIFS is an acceptable material for this building because the existing material on the south side of building is already an EIFS material, but felt it was appropriate for the Renaissance Zone Authority to grant a waiver to use that material because it does not meet code. Mr. Whittey added that the EIFS material would complement the surrounding buildings in that area.

Mr. Keiser asked if trees were considered for 1<sup>st</sup> Street North for landscaping. Mr. Tomanek responded by saying that typically the City Forrester requires a minimum of a four and a half or five foot boulevard to install trees.

Mr. Huber asked what the expected use of the space is. Mr. Splonskowski answered by saying professional offices.

Mr. Keiser asked if the assessed valued of the building is \$514,200, the proposed investment is \$706,964, and how can the estimated value with investment be \$738,200. Mr. Tomanek said the estimated value is based on the building as a shell, without any of the land or interior build out and the value will increase when the space is occupied.

**MOTION:** Based on the findings included in the staff report, a motion was made by Mr. Keiser and seconded by Mr. Grossman to recommend approval of the rehabilitation of the building at 100 West Broadway Avenue by SPGMC, LLC/Boardwalk on Broadway, LLC, with the following conditions: 1) waiver from Section 14-04-21.2 (DF - Downtown Fringe) of the City Code of Ordinances is granted to allow the use of EIFS/Dry-Vit material as an exterior building material in lieu of the use of brick, stone architectural concrete or pre-cast concrete, or an equivalent or better; and 2) waiver from Section 14-03-11 (Landscaping and Screening) of the City Code of Ordinances is granted to not require the use of perimeter parking lot screening

elements such as trees & shrubs or a decorative fence in locations where the off-street parking lots are adjacent to the public right-of-way and that interior parking lot greenspace, interior parking lot trees and boulevard trees that are proposed on the site plan included with the application will be installed in conjunction with the redevelopment of the property. The motion passed unanimously, with members Blackstead, Grossman, Huber, Keiser and Magstadt voting in favor.

## **RENAISSANCE ZONE PROJECT RECOGNITION PLAQUES**

Mr. Tomanek stated that plaques have been ordered and should be completed by August 26, 2009. Mr. Tomanek suggested that the plaques be presented to the recipients with the involvement of the Mayor and the Renaissance Zone Authority, along with City staff from various departments. It was the general consensus of the Renaissance Zone Authority to present the plaques to the recipients on site and individually with the participation of the Mayor, the Renaissance Zone Authority and City staff. Mr. Tomanek said he would make the arrangements for the special meeting to present the plaques.

## **STATUS OF APPROVED RENAISSANCE ZONE PROJECTS**

Mr. Tomanek said the Fiesta Villa/Depot Associates project has been closed out.

## **STATUS OF APPROVED CORE INCENTIVE PROGRAM PROJECTS**

Mr. Tomanek said the Warren's Locks & Keys, Rolf Eggers and Broadway Floral of Hearts projects have been closed out and the work is completed with the Taco John's project, however, the project has not been closed out yet. Tomanek went on to say that the request from DoCo Group/Renee Forde & Kelly Nysether has been withdrawn due to a higher cost estimate than the group anticipated for renovation and rehabilitation.

## **OTHER BUSINESS**

Mr. Huber said he recalls that a person does not have to own the property to participate in the Technical Assistance Bank program, however, they would not receive the Technical Assistance Bank funds unless the transaction was completed. Mr. Huber then asked if deliverables provided under a Technical Assistance Bank grant would be available to the next interested party and feels it needs to be discussed.

Mr. Keiser commented that there should be some type of vested interest in the property before money would be granted through the Technical Assistance Bank.

Mr. Whitman said in the past people have approached the Renaissance Zone Authority without doing any prior investigation on the property and then some cursory investigations were completed and the result was a major issue like structural problems. Mr. Whitman went on to say his concerns with allowing the Technical Assistance Bank applications for people that do not have a vested interest in the property could lead to surveys on every building in the downtown area and the waste of time and effort if the parties walked away from the project in the early stages. Mr. Whitman said when the program was started it was intended for property owners to explore improvements options for their building, not for a purchaser to speculate about buying a building.

Mr. Tomanek said that the purpose of the Technical Assistance Bank states that “the purpose of this matching program is to support developers, owners and tenants with professional technical assistance during the preliminary phases of potential projects. The program is available to current or potential building owners, tenants, developers or other entities interested in projects that will promote or improve the downtown in accordance with the Central Business District Plan”. Mr. Tomanek said the technical assistance grant funds are limited to a total of 70 hours of professional service not to exceed \$4,900 for engineering services and 30 hours for architectural services, not to exceed \$2,100, including feasibility studies, preliminary development review assistance, preliminary building condition assessment studies (structural, mechanical, electrical, bacterial, etc.), renovation versus restoration opinions, renovation for re-use studies, site selection assistance, preliminary cost estimates, code analysis, landscape improvements and graphic design.

Mr. Huber said all that will be completed before a property is purchased.

Mr. Whitman added that the problem with that is someone who simply cannot be approved for financing can come in and use the Renaissance Zone Authority funds. Mr. Whitman asked at what level this board wants to have assurances to make sure the buyers are serious.

It was the general consensus of the Renaissance Zone Authority to have the language of the Technical Assistance Bank policy reviewed and then place this item on the agenda for further discussion at a later date.

## **ADJOURNMENT**

There being no further business, Chair Blackstead adjourned the meeting of the Bismarck Renaissance Zone Authority at 4:55 p.m.

Respectfully Submitted,

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Kimberley Gaffrey  
Recording Secretary

APPROVED:

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David Blackstead  
Chair